



TANF and Employment Update

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This report uses data from the WorkFirst Study (WFS). The sample was drawn from the statewide list of adults receiving welfare assistance in March 1999 (1999 cohort), October 2000 (2000 cohort), and October 2001 (2001 cohort).

This report uses data from state administrative files to track receipt of welfare benefits from TANF (cash assistance) and employment. The employment data come from the state Unemployment Insurance earnings files for 1999 through 2002.

FINDINGS

- TANF receipt patterns have been remarkably stable across the cohorts.
- For each group, about half the families were no longer receiving TANF at the one-year mark, and the rate dropped over the time we monitored them.
- For each cohort, employment increased initially. However, employment for the more recent cohorts was lower than employment for the 1999 cohort.
- Employment rates for each cohort have hovered around 45 percent in recent quarters.

TANF Experience

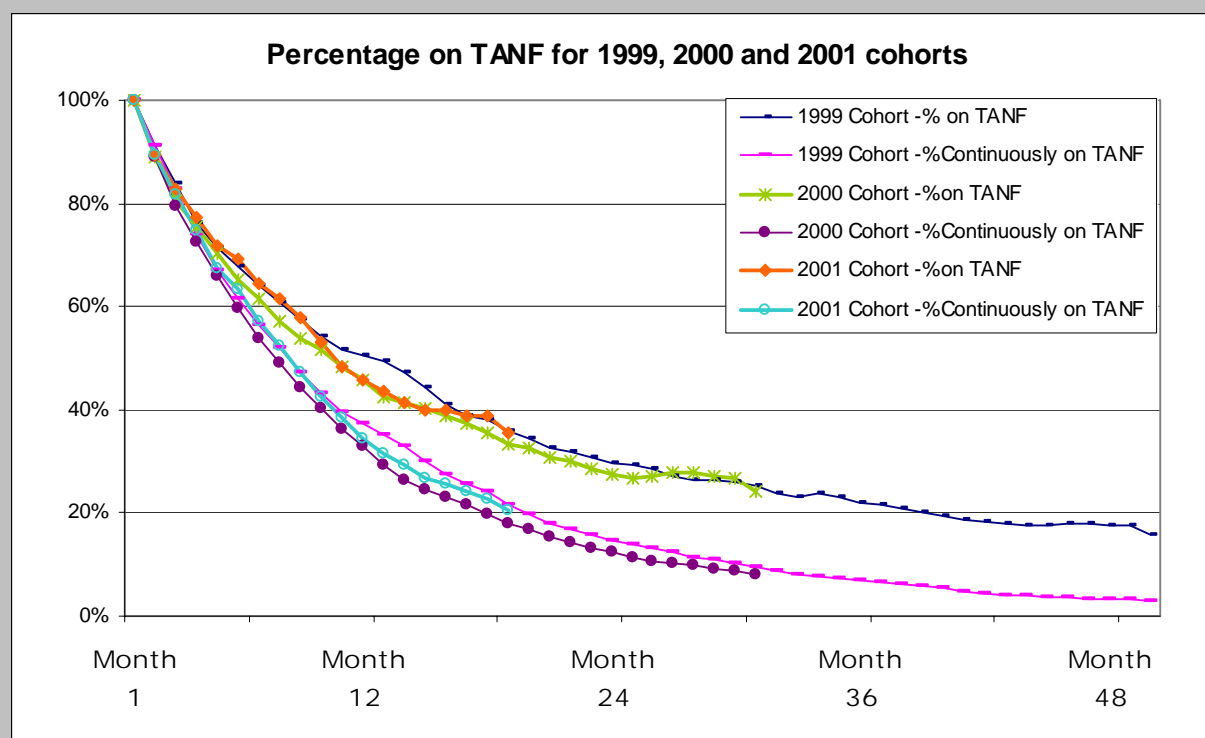
Figure 1 shows the proportion of families who received TANF cash assistance over the time since each cohort was selected. The proportion of families on TANF in each month is shown (top group of lines) as well as the proportion of families who have received TANF for all months since the cohort was selected (“continuously on,” the lower group of lines).

The graph shows that the patterns of TANF receipt have been remarkably stable across the cohorts. For each group, about half the families were no longer receiving TANF at the one-year mark, and the rate dropped over the time we have monitored them.

The proportion of families who have continuously received TANF has also dropped steadily for each of the groups. For each group, about a third of the families had not left TANF at the one-year mark.

For the 1999 and 2000 cohorts, about one third of families received TANF at the two-year mark and fewer than 20 percent had never been off TANF at that point. For the 1999 cohort, fewer than 20 percent of families received TANF in the last month we monitored (almost 4 years after March 1999) and only 4 percent had never left TANF.

**FIGURE 1: TANF RECEIPT OVER TIME
FOR 1999, 2000, AND 2001 COHORTS**



Employment

Figure 2 shows the proportion of WorkFirst Study respondents who had earnings for jobs covered by Unemployment Insurance in each quarter after the quarter the cohort was selected.

Employment increased initially for respondents in each group. However, employment for the more recent cohorts was generally lower than employment for the 1999 cohort. Over this same time period, Washington state unemployment rates have increased from less than 5 percent when the 1999 cohort was selected to over 7 percent in 2002.

For the families who were on TANF in March 1999, employment peaked at about 60 percent in the last quarter of 2000. For both the 1999 and 2000 cohorts, employment rates fell between December 2001 and March of 2002 (just prior to month 48 for the 1999 cohort and prior to month 12 for the 2000 cohort). This fall mirrors a jump in the Washington State unemployment rate to over 7 percent.

More recently, employment rates for each cohort have hovered around 45 percent in each quarter.

FIGURE 2: EMPLOYMENT RATES FOR 1999, 2000, AND 2001 COHORTS

